

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1551 – SB 1747

April 4, 2014

SUMMARY OF ORIGINAL BILL: Changes the date in an election year on which a judge's salary is determined when the county where the judge is elected moves into a lower class after the judge is elected.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015737): Deletes all language after the enacting clause. Establishes a new salary increase and cost-of-living adjustments (COLA) for general sessions judges for the upcoming judicial term, 2014 to 2022.

General Sessions judges will receive an increase in their annual compensation in FY16-17, FY18-19, and FY20-21, and they will receive COLA adjustments in FY14-15, FY15-16, FY17-18, FY19-20, and FY21-22. A county can provide greater compensation for its judges by public act, private act, or local ordinance.

Requires general sessions judges in Montgomery County to receive the same annual compensation as general sessions judges in Davidson County.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 2, 2014, a fiscal memorandum was issued estimating the fiscal impact as follows:

Increase Local Expenditures – Exceeds \$8,000,000/FY15-16 through FY20-21
Exceeds \$26,300/Montgomery County/Recurring**

This impact was in error. The estimated impact is:

(CORRECTED)

**Increase Local Expenditures – Exceeds \$8,000,000/FY16-17 through FY20-21*
Exceeds \$26,300/Montgomery County/FY14-15 and
Subsequent Years***

HB 1551 – SB 1747 (CORRECTED)


Assumptions for the bill as amended:

- The proposed legislation establishes salary increases and cost-of-living adjustments (COLA) for general sessions judges for the upcoming judicial term, 2014 to 2022.
- The County Technical Assistance Service (CTAS), analyzed general sessions judges' salaries from 2006 through 2013 and applied the staggered salary increases and COLA adjustment in the proposed legislation.
- CTAS calculated that the salary increases and COLA adjustments in the proposed legislation would have resulted in \$7,735,431 in increased local expenditures if the proposed legislation had been enacted law from 2006 to 2013.
- Under current law, general sessions judges receive COLA adjustments pursuant to Tenn. Code Ann. §§ 16-15-5003 and 8-23-103. Thus, the average general sessions judges in 2016 will have a greater salary than the average judge did in 2006, and the increases in the proposed legislation will result in a greater increase in local expenditures from 2016 to 2022 than would have occurred from 2006 to 2013 as calculated by CTAS.
- It is assumed that the proposed legislation will result in an increase in local expenditures that will exceed \$8 million over the upcoming judicial term.
- According to CTAS, there are currently 11 general sessions judges in Davidson County and each received compensation of \$165,203.64 in 2013.
- According to CTAS, there are currently three general sessions judges in Montgomery County and each received compensation of \$156,442.57 in 2013.
- Davidson County general sessions judges made \$8,761.07 (\$165,203.64 - \$156,442.57) more than Montgomery County general sessions judges in 2013.
- The proposed legislation would require Montgomery County to pay its three general sessions judges \$8,761.07 in 2014, before a cost-of-living adjustment.
- The cost for three judges is \$26,283.21 (\$8,761.07 x 3).
- It is assumed that the proposed legislation will increase local expenditures in Montgomery County more than \$26,283.21 each year.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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